

Component Efficiency: The key to profitability



Cargill successfully feeds thousands of herds by focusing on component efficiency. Component efficiency is a biological index of the performance of the cow on the diet in the herd environment. It's simply measured as the percent of the herd average dry matter intake converted into pounds of milk fat and protein, on a per cow per day basis.

Since a dairy is limited by the number of cows it can house and feed, profitability hinges on housing and feeding a herd that is highly efficient at producing components. High milk production doesn't always equal profitability. The value of milk is determined by the amount of fat and protein components in the milk.

Averages	Milk Yield	Fat %	Protein %	Components (lbs.)	DMI	CE	IOFC
Herd 1	88.0	3.73	3.09	6.01	57.7	10.4%	\$6.36
Herd 2	84.5	3.94	3.16	6.00	52.8	11.4%	\$6.92

The economic return for improvement in component efficiency is enormous since greater than 80% of the milk value is derived from the pounds of milk fat and protein, while diet cost makes up more than 60% of the dairy's operational costs.

Component efficiency can be improved by increasing component production relative to dry matter intake. Moving a herd's component efficiency up one percentage unit can result in a measurable increase of net milk revenue over feed cost per cow per day.

Easily calculate your herd's component efficiency using the worksheet on the back page today!

12%

Component efficiency of elite dairy farms.



Learn how elite farms achieved their status, and get tips for improving efficiency.

Easily Calculate Your Component Efficiency

$$\frac{89}{\text{(Pounds of milk)}} \times \frac{3.75}{\text{(Fat \%)}} = \frac{3.34}{\text{lbs. of fat}}$$

$$\frac{89}{\text{(Pounds of milk)}} \times \frac{3.10}{\text{(Protein \%)}} = \frac{2.68}{\text{lbs. of fat}}$$

$$\text{SUM} = \frac{6.02}{\text{lbs. of components}}$$

$$\frac{6.02}{\text{(Lbs. of Comp.)}} / \frac{54}{\text{(DM Intake)}} \times 100 = \frac{11}{\text{Component Efficiency \%}}$$

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Work with your Cargill Dairy Focus Consultants today to:

Analyze Component Income Over Feed Cost (CIOFC)

Review how CIOFC changes at different levels of CE

To learn more please visit: CargillDairyDreams.com

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